

## Message Text

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ACTION NEA-10

INFO OCT-01 EB-07 ISO-00 AGR-05 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 IO-10 IGA-01 AID-05 COME-00 FRB-03 TRSE-00

XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 /100 W

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R 260455Z SEP 75

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 8219

INFO AMCONSUL CALCUTTA

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E.O. 11652: N/A

TAGS: EAGR, ETRD, BG

SUBJECT: PRIVATE JUTE TRADERS FREE TO ARRANGE EXPORT SALES

REF: DACCA 4519

1. BDG ANNOUNCED SEPTEMBER 20 DECISION TO PERMIT PRIVATE EXPORTERS TO NEGOTIATE DIRECTLY WITH FOREIGN BUYERS FOR SALE OF RAW JUTE, ALTHOUGH SUCH SALES WILL BE MADE "THROUGH THE BANGLADESH JUTE EXPORT CORPORATION". ACCORDING TO PRESS RELEASE, DECISION TAKEN TO IMPROVE THE INTERNAL JUTE MARKET AS WELL AS RAW JUTE EXPORTS.

2. MUJIB GOVERNMENT HAD PERMITTED THE FOUR (YES, FOUR) BDG CORPORATION WHICH BUY RAW JUTE TO NEGOTIATE SALES DIRECTLY WITH FOREIGN BUYERS, WITH ACTUAL SALES GOING THROUGH THE BJEC, WITHOUT PREMIUM. BEFORE THAT, BJEC NEGOTIATED ALL EXPORT SALES.

3. JUTE MINISTER MADE ANNOUNCEMENT AT MEETING WITH BDG JUTE PURCHASING CORPORATION HEADS AND PRIVATE TRADERS. MINISTER EXPLAINED DECISION REFLECTED CONCERN OVER BDG JUTE PURCHASING CORPORATION'S OPERATING LOSSES, EXPECTATION THAT GROWERS WOULD

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BENEFIT (BDG BUYING OFFICIALS ARE WIDELY BELIEVED TO BE PAYING

GROWERS WELL UNDER THE MINIMUM PRICE OF 90 TAKA/MAUND AND  
POCKETING THE DIFFERENCE), AND NEED TO BOOST EXPORT SALES.  
MINISTER THOUGHT THAT ACREAGE WOULD DROP NEXT YEAR IF MINIMUM  
PRICE NOT RPT NOT PAID FARMER. MINISTER EXPRESSED CONVICTION  
THAT PRIVATE TRADERS WOULD OPERATE WITH INTEGRITY AND HONESTY.  
(FYI ACCORDING ONE ATTENDEE, PRIVATE TRADERS THEN FOUGHT AMONG  
THEMSELVES FOR RIGHT TO SPEAK, RAISED PETTY COMPLAINTS AND  
THEN ACCUSED BDG OF SECRETLY INSTRUCTING MILLS TO PAY GROWERS  
ONLY 70/75 MAUND. MINISTER THEN ANGRILY LEFT MEETING. END FYI)

4. THIS STEP REFLECTS PRIMARILY BDG CONCERN OVER EXTREMELY POOR  
PERFORMANCE OF BDG CORPORATION CONCERNED AND THEIR DEPRESSING RAW  
JUTE EXPORT PERFORMANCE, BUT IS ALSO IN LINE WITH NEW GOVERNMENT'S  
RELATIVELY GREATER WILLINGNESS TO RELY ON PRIVATE SECTOR. A  
PRIVATE TRADER HERE EXPECTS THIS NEW ARRANGMENT WILL IN FACT  
BENEFIT THE GROWER AND COQVD HELP IMPROVE EXPORT PICTURE, BUT  
LATTER, OF COURSE, AFFECTED BY FOREIGN DEMAND AS WELL AS DOMESTIC  
SUPPLY SIDE. TO DATE OUTLOOK FOR RAW JUTE EXPORTS THIS SEASON  
(FROM JULY 1), DESPITE 20,000 LONG TON SCALE TO BRAZIL, REMAINS  
LITTLE BETTER THAN LAST YEAR'S DISMAL (LESS THAN 200,000 LONG  
TONS) PERFORMANCE.

BOSTER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, SALES, JUTE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975DACCA04746  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
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**Errors:** N/A  
**Film Number:** D750333-1189  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750911/aaaaajsd.tel  
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**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRIVATE JUTE TRADERS FREE TO ARRANGE EXPORT SALES  
**TAGS:** EAGR, ETRD, BG  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006